CALIFORNIA COASTAL COMMISSION

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M-10

MEMORANDUM

May 21, 1998

TO: Coastal Commissioners

FROM: Ralph Faust, Chief Counsel

Dorothy Dickey, Deputy Chief Counsel

Ann Cheddar, Staff Counsel Amy Roach, Staff Counsel

SUBJECT: Adoption of Proposed Revisions to Portions of

Chapters 5 and 6 of the Commission's Permit Regulations

I. STAFF RECOMMENDATION

The staff recommends that the Commission adopt proposed amendments to the coastal development permit regulations (Chapters 5 and 6 of Title 14 of the California Code of Regulations) as set forth in Exhibit 1 and as modified in this staff report. As instructed by the Commission at its January 13, 1998 hearing, staff has carried out various rulemaking procedures that must be satisfied prior to adoption of the amendments. Those steps included circulating the proposed amendments (as set forth in Exhibit 1) for public notice and comment. The remaining requirements are to hold a public hearing and respond to all comments received at the hearing. The Commission continued its previously scheduled April 9, 1998 adoption hearing prior to the receipt of public testimony or a presentation by its staff.

Staff has received only three comment letters since circulation of the proposed amendments. (See Exhibit 5.) All of these letters were received prior to April 9, 1998. In response to those comments, staff recommends that the Commission make several nonsubstantial and grammatical corrections to the proposed amendments prior to adoption. These corrections can be made without triggering a requirement to recirculate the proposed amendments for additional public comment prior to adoption. Under the Administrative Procedure Act (the "APA"), any changes to proposed amendments that have already been published for notice and comment require an additional public comment period prior to adoption unless they are nonsubstantial or solely grammatical. (Government Code § 11346.8(c).) Changes that are

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sufficiently related to the proposed amendments that the public would be on notice that they might occur trigger the need for an additional 15-day public notice and comment period prior to adoption. All other changes trigger the need for an additional 45-day public notice and comment period prior to adoption.

II. SUMMARY OF RESPONSES TO PUBLIC COMMENTS

As of the date of this staff report, staff has received three written comments concerning the proposed amendments. The most extensive of these were submitted by Mr. James Lichter of the Regulatory Review Unit, Trade and Commerce Agency. The following is a brief summary of the comments and staff's responses, which are set forth in greater detail in section VI of this staff report.

- (1) Permit application fees (section 13055) should be shown in tabular form. Staff recommends that the fee schedule be revised to be set forth in tabular form.
- (2) References to the "Coastal Act" should be consistent. Staff recommends that the references be revised to be consistent.
- (3) The Executive Director should not have authority to summarize written comments that are presented at a hearing too late to be copied and distributed to commissioners (§ 13060(c)). Staff recommends that this authority be retained.
- (4) A permit applicant should have the right to postpone a hearing after public testimony has been taken (§13073(a)). Staff recommends that the Commission maintain the current requirement that an applicant must exercise his or her one right to postpone before the public testimony portion of the hearing begins.
- (5) Applicants for permit extensions should be required to post a notice of a proposed administrative extension within three working days, rather than three calendar days, of the Executive Director's mailing of notice to interested persons (§ 13169(b)). Staff recommends that the notice be posted within three calendar days to ensure the public has adequate opportunity to comment within the 10 calendar day comment period.
- (6) There should be a deadline for Commission action on submittal of information updating the identity of a permittee. Staff recommends that there be no deadline because Commission staff's review and filing of the information does not affect a permittee's ability to amend, extend, or take other action concerning the permit.

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(7) The regulations, and in particular subsections 13055(g), 13067(c), and 13158(e) are not drafted in plain English. Staff recommends corrections to these subsections to make them easier to understand.

III. MOTION

We recommend that the Commission vote to adopt the proposed amendments to its permit regulations as set forth in Exhibit 1 and as corrected in this staff report. The motion and resolution are:

Motion:

I move that the Commission adopt the proposed amendments to Chapters 5 and 6 of the Commission's regulations as set forth in Exhibit 1 and as further corrected by the staff report.

Staff recommends a YES vote. A majority of the Commissioners present is required to pass the motion. Approval of the motion results in adoption of the amendments as set forth in Exhibit 1 and as corrected by this staff report, and adoption of the resolution of approval.

Resolution:

The Commission hereby adopts amendments to Chapters 5 and 6 of the Commission's regulations as proposed in Exhibit 1 and as further corrected by this staff report. No alternative would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

IV. RULEMAKING PROCEDURES

In a staff report dated December 23,1997, staff presented draft proposed amendments to the Commission's coastal development permit regulations. On January 13, 1998, the Commission voted to commence the rulemaking process to amend its permit regulations. Since obtaining the Commission's authorization to proceed, staff has undertaken several of the procedures required by the Administrative Procedure Act (APA) (Government Code § 11340 *et. seq.*). Staff mailed notice of the Commission's intent to adopt the proposed amendments to interested persons as required by the Government Code, and published the notice of intent in the California Register. Staff also prepared the various other documents required to be made available concurrently with the proposed amendments. (See Notice of the Commission's Intent to Amend its Regulations, attached as Exhibit 2, and Initial Statement of Reasons, attached as Exhibit 3.) The notice of intent has been published since February 20, 1998. Accordingly, the Commission has complied

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with the requirement to publish notice and accept public comment for a minimum period of 45 days.

The remaining steps that the Commission must complete before adopting the proposed amendments are: (1) accept public testimony at a public hearing, and (2) ensure that the record contains the rationale for response to all comments. These steps can be completed at the Commission's June 8, 1998 hearing. Once these steps have been completed, the Commission can decide whether to adopt the proposed amendments.

The APA limits the Commission's ability to adopt proposed amendments that are different from those that have been made available for the 45-day notice and comment period. The Commission can adopt the proposed amendments with revisions that are "solely grammatical" or "nonsubstantial." (Government Code § 11346.8(c)). However, if the Commission wishes to make any other type of revisions to the amendments, it must make the text of the modified amendments available for an additional public comment period of either 15 days if the changes are minor (i.e., sufficiently related to the published amendments that the public is on notice that the change could occur), or 45 days if the changes are major. The potential rulemaking schedules attached as Exhibit 4 illustrate how the APA requirements affect the Commission's options for adopting amendments to the regulations. Prior to starting any additional public comment period, the Commission may need to hold additional public hearings to identify the specific changes it wishes to propose.

After Commission adoption of amendments, the amendments must be submitted to the Office of Administrative Law (OAL) for review and approval. ¹ If the amendments are approved by OAL, they will become legally effective 30 days after they are filed with the Secretary of State.

V. <u>SUMMARY OF PROPOSED AMENDMENTS</u>

The proposed amendments consist largely of limited modifications to existing coastal development permit regulations. The amendments would reorganize sections governing procedures for staff processing of permits and for Commission action on permits in order to provide more understandable, streamlined processes. For example, sections covering treatment of written public comments that are currently scattered throughout the regulations would be combined into one section. Similarly, various sections addressing Commission review of staff recommendations would be combined into one section governing the Commission's vote on staff recommendations. In addition, redundant procedures would be eliminated. For example, the

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¹ The Office of Administrative Law has 30-working days to review the amendments under the APA. If the Office of Administrative Law does not approve the amendments under the APA, it could return them for further Commission action, which could trigger additional public notice and comment periods.

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regulations regarding staff preparation of application summaries would be incorporated into the regulations regarding staff preparation of staff reports.

The majority of the regulations governing applicant and permittee requirements and permit exclusions would be amended to clarify a number of ambiguities that have become apparent during implementation of the regulations. For example, the revisions would clarify that permit amendments are subject to the same information filing requirements as permit applications, and that approved permits can be extended even if they have not been issued. Clarification of the ambiguities would make the regulations easier for applicants to understand and would save staff time. Several of the proposed revisions introduce new streamlining measures that would save time for applicants. For example, currently, minor amendment and extension applications that qualify for administrative approval are required to be referred to the Commission for hearing if a member of the public objects to administrative approval of the application. The revisions would allow the Executive Director to approve such applications administratively despite receipt of an objection if the Executive Director concludes, subject to Commission review, that the objection does not raise valid Coastal Act issues.

At its hearing on January 13, 1998, the Commission made several minor changes to the draft proposed amendments presented by staff. These changes were incorporated into the proposed amendments before the amendments were circulated for public comment. The changes are described below.

- (1) The wording of amendments to section 13055(a)(8) was changed slightly. This section identifies when the fee for a nonresidential permit application is to be based upon project cost rather than project size. The proposed amendment was changed to clarify that a fee for nonresidential projects is to be based on project cost <u>only</u> in three instances: when the proposed development is a change in intensity of use, <u>or</u> when the proposed development does not have a quantifiable square footage, <u>or</u> when the proposed development does not qualify as office, commercial, convention, industrial, energy production, or fuel processing.
- (2) The proposed amendments to sections 13169 and 13166 were clarified. These sections allow the Executive Director to approve immaterial amendments and extensions of permits unless a letter of objection is received. The proposed amendments would allow the Executive Director to approve an immaterial amendment or extension despite receipt of an objection, provided the Commission is informed and has the opportunity to require a hearing. The proposed amendments were revised to clarify that the Executive Director shall provide the Commission with a copy of any letter of objection at the time the Commission is provided the opportunity to request a hearing on the immaterial amendment or extension.

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The proposed amendments do not include changes to regulations governing: vested rights, urban land exclusions, administrative permits, de minimis waivers, categorical exclusions, minor adjustments to the coastal zone boundary, revocation of permits, and appeal of locally issued coastal development permits. The staff is in the process of developing proposed changes to regulations governing revocation and appeals. Such changes would be presented to the Commission at a future date for purposes of commencing a separate rulemaking proceeding.²

VI. Letters of Public Comment.

Commission staff has received three comment letters concerning the proposed amendments as set forth in Exhibit 1. The following describes the comments and staff's responses.

- A. <u>California Trade and Commerce Agency:</u> Letter from James J. Lichter, Analyst, Regulation Review Unit, dated April 3, 1998.
- 1. **Section 13055.** Mr. Lichter suggests that the fees described in section 13055 be presented in tabular form.

Response: Staff agrees that drafting the fee schedule in tabular form would make this section easier to understand. Staff also concludes that revising the format of the fee schedule is not a change that would trigger the need to circulate the proposed amendments for another 15 days prior to adoption. Therefore, staff recommends that the Commission adopt the proposed amendments with direction to staff to revise the format of the fee schedule to a tabular form.

2. **Section 13057. Preparation of Staff Reports**. Mr. Lichter identifies several instances in which the regulation text refers to the "California Coastal Act of 1976", the "California Coastal Act" or the "Coastal Act." Mr. Lichter recommends that all such references be harmonized.

Response: Commission staff agrees with the suggestion provided by Mr. Lichter. An existing section of the regulations, section 13001, already provides that the Commission's regulations "are promulgated pursuant to the California Coastal Act of 1976, as it may be amended from time to time." Therefore, staff recommends that the Commission adopt the proposed amendments with direction to staff to conform all subsequent references in the regulatory text by utilizing the term "Coastal Act." This proposed correction to the regulatory

Commission's regulations. These amendments are being prepared for submittal to OAL for their review.

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² The Commission has already adopted amendments to portions of Chapter 5: Subchapter 8 (cease and desist orders) and Subchapter 9 (restoration orders); OAL has approved those changes effective February 1998. The Commission has also recently adopted amendments to portions of Chapters 1-3 (General Provisions, Meetings, and Officers and Staff) of the

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text is nonsubstantial and grammatical in nature and thus does not trigger the need for an additional public comment period.

3. **Section 13060(c). Public Comments on Applications.** Mr. Lichter expresses concern about the authority of the Executive Director to summarize lengthy and/or numerous written communications orally rather than distributing copies to the Commissioners. Mr. Lichter noted that this approach could cause information to be inadvertently distorted.

Response: The procedure about which Mr. Lichter has expressed concern is reflected in the current regulations and would be unchanged by the proposed amendments. Staff recommends that this practice be continued because of the potential for circumstances in which it is impossible for staff to copy written comments.

The proposed revision to section 13060 combines the provisions of existing sections 13060, 13061, 13074 and 13077. These sections authorize the Executive Director to provide the Commission with either a copy of the text or a "summary of all relevant communications." (Section 13060.) They also provide that the Executive Director may "inform" the Commission of "the substance of the communications" when a sizable number of similar communications are received. (Section 13061.) Thus, the Commission's existing regulations require the Executive Director to inform the Commission about all relevant communications but allow the Executive Director to summarize similar communications in oral or written form.

The proposed revisions to 13060 incorporate these existing provisions and clarify that the Executive Director may provide an oral summary when communications are received at the hearing too late for copies to be provided to the Commission by the Executive Director. Staff believes that it is necessary to inform the public that the Executive Director may orally summarize last minute written comments which cannot be copied in order to ensure that the public has the ability to comment up until the time of the vote. In this way, the public will be able to comment in writing before the vote without providing the Commission with multiple copies of their comments. Moreover, although the Commission cannot require the public to provide multiple copies of their comments, the public continues to have the option of providing multiple copies for the Commission if they would prefer not to have their comments summarized.

Therefore, staff does not propose to revise the proposed amendments in response to this comment. Staff continues to recommend that the Commission allow the Executive Director to summarize comments in the manner delineated in section 13060(c).

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4. **Section 13073(a). Applicant's Postponement.** Mr. Lichter expresses concern that the proposed regulatory text requires an applicant to exercise their one "right" to postpone a vote to a subsequent meeting prior to public testimony. Mr. Lichter proposes an alternative that would allow the applicant to request postponement either before or after the public testimony.

Response: An applicant's one right to postpone a vote on a coastal development permit application to a subsequent meeting is reflected in the current regulations. (Section 13085(a).) Staff recommends that this requirement be retained. The stated purpose of the existing provisions regarding the automatic right to the first postponement are to provide an applicant with additional time to respond to the staff recommendation.

The staff recommendation is circulated to the public in advance of the hearing and may also be supplemented at the hearing prior to the public testimony. (Sections 13059 and 13066.) In either case, the staff recommendation is provided prior to the public testimony portion of the hearing. Therefore, an applicant is always able to ascertain whether they need additional time to respond to the staff recommendation prior to the public testimony portion of the hearing. The proposed regulatory text which expressly states when an applicant must exercise their automatic right to postpone improves the clarity of the existing regulatory provisions. In addition, pursuant to subsection (b) of this regulation, an applicant may request postponement at any time prior to the vote.

Therefore, staff does not recommend revisions to the proposed amendments in response to this comment. Staff continues to recommend inclusion of the language clarifying that an applicant must exercise their automatic right to postpone the vote prior to the public testimony portion of the public hearing. Staff also continues to recommend that an applicant be able to request postponement at any time prior to the vote.

5. **Section 13169(b).** Mr. Lichter comments that the requirement for posting a notice (of a proposed administrative approval of a permit extension) at a project site within three days of the Executive Director's mailing of notice should be specified as three <u>working</u> days, rather than three calendar days.

Response: Staff recommends that the proposed amendments continue to require posting of the site within three calendar days of the mailing of notice. The public has 10 calendar days to submit written objections to a proposed administrative permit extension after the Executive Director has mailed notice of the proposed extension. If no objections are received, the extension is granted. Since the public has only 10 calendar days to object to the proposed extension, it is important that the site be posted as close to the time of mailing as possible in order to provide the public with notice of the action. If the regulations were to require posting within three working days, it would shorten the time period for notice to the public, which might

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preclude some people from learning about the proposed extension in sufficient time to submit an objection by the 10 calendar day deadline.

The requirement to post a site within three calendar days does not appear onerous. Many permittees live or work at the site of permitted project. Further, the requirement to post within three calendar days appears less burdensome for permittees than providing three working days and extending the 10 calendar day public comment period in order to provide the public with sufficient opportunity to respond to proposed administrative permit extensions. Therefore, staff recommends no change to the proposed amendments to this section.

6. **Section 13170. Transfer of Permits**. Mr. Lichter asserts that the proposed amendments concerning transfer of permits should include a deadline for Commission action.

Response: Staff recommends that the proposed amendments not be revised to include a deadline for Commission action because the amendments eliminate the need for a Commission action in order for the permittee to seek a permit amendment, extension or other action. Section 13170 currently requires that a permit be assigned if the underlying property is sold. The regulation establishes a procedure for obtaining Executive Director approval of an assignment. The proposed amendment would eliminate the requirement that permits be assigned. This amendment is necessary to avoid confusion since the law provides that permits bind successive property owners regardless of whether the permit is formally assigned. Rather than eliminate the regulation altogether, Commission staff concluded that the regulations should allow and encourage permittees to update the Commission records by informing the Commission of changes in the identity of the permittee. The amended regulation would specify what information permittees should submit in order to update the Commission's files.

Staff did not propose a deadline for Commission action since the only Commission action is for staff to (1) inform the permittee if the information submitted is insufficient to indicate the identity of the permittee and (2) to place the information in the files. Since neither of these actions affect a permittee's ability to obtain a permit, amendment, or other authorization, there is no need for a deadline. In addition, a deadline on staff to update file information could result in staff being forced to prioritize filing ahead of more significant work such as evaluation of a permit application. Therefore, staff recommends no change to the proposed amendments to this section.

7. Adverse Economic Impacts and the Plain English Requirement. Mr. Lichter comments that the regulations are not written in plain English, as defined in Government Code section 11342(e). "Plain English" is defined in the statute as language that can be interpreted by a person who has no more than an eighth grade proficiency in English. The Administrative Procedure Act requires regulations to be written in plain English if they will affect small businesses. (Government Code section 11346.2) Mr. Lichter evaluated three subsections of the proposed amendments using computer programs that measure the "grade level of written

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material." These are subsections 13055(g), 13067(c), and 13158(e). Based upon the results of the evaluation, he concluded that the regulations were not drafted in plain English.

Response: Staff recommends that the cited subsections be revised so that they are easier to understand. The proposed amendments are intended to clarify ambiguities that have become apparent through implementation of the regulations. However, staff agrees that the subsections identified by Mr. Lichter could be redrafted to make them less lengthy and complex. Accordingly, staff has redrafted these provisions to make them easier to understand. The revised versions are set forth in the Section IV of this staff report. The substance of these subsections has not changed. Rather they have been reworded to reduce sentence length and complexity.

B. <u>City of El Segundo:</u> Letter from Naima Greffon, Planning Technician, Dept. of Planning and Building Safety, dated March 23, 1998.

The City writes in support of the proposed changes.

C. Undated Letter from Kimberly Perez, La Mirada, CA

Ms. Perez writes that the law should not be revised to create loopholes or to allow developers to more easily attain permits. Staff responds that the proposed amendments clarify ambiguities and streamline the permit process. The amendments do not create any new permit exemptions or affect the Coastal Act standards for Commission approval of coastal development permits.

VII. Nonsubstantial/Grammatical Corrections to Proposed Amendments.

Staff has identified several nonsubstantial changes that should be made to the proposed amendments. These are based upon the comments from Mr. Lichter, of the Regulatory Review Unit that several subsections are not written in plain English. In addition, several citations to section 21080.5 of the California Environmental Quality Act (CEQA) need to be changed to reflect renumbering of that section. These changes do not affect the substance of the proposed amendments -- they do not change requirements applicable to the Commission or the regulated community. Therefore, they can be adopted by the Commission without triggering the need to recirculate the proposed amendments for additional public notice and comment. The corrections are set forth below. Additions to the originally proposed amendments are shown in double underline. Deletions of text that was originally proposed to be added are shown with both underline and strikeout.

- 1) Revise proposed Section 13055(g) as follows so that it is easier to understand:
- (g) The required fee shall be paid in full at the time an application is filed. However, applicants for an administrative permit shall pay an additional fee after filing if an application is filed as an administrative calendar application but subsequently scheduled for another calendar by the executive director or removed from the administrative calendar by the commission determines that the application cannot be processed as an administrative permit. The additional fee shall be the amount necessary to increase the total fee paid to the applicant shall pay the difference between the administrative calendar fee and the regular fee. The regular fee is the fee determined pursuant to sections (a)(2)-(15), (b)-(f) above. The Such additional fee shall be paid before the permit application is scheduled for hearing by the commission. If the fee is not paid prior to commission action on the application, the commission shall impose a special condition of approval of the permit. Such special condition shall require that requires payment of the additional fee prior to issuance of the permit.
- 2) Add word "calendar" to proposed section 13056(d) as reflected below so that all such references are uniform:
- (d) An applicant may appeal to the commission A a determination by the executive director that an application form is incomplete may be appealed to the commission for its determination as to whether the permit application may be filed. The appeal shall be submitted in writing. The executive director shall schedule the appeal for the next commission hearing or as soon thereafter as practicable but in no event later than sixty (60) calendar days and shall prepare a written recommendation to the commission on the issues raised by the appeal of the filing determination. The commission may overturn the executive director's determination and/or direct the executive director to prepare a different determination reflecting the commission's decision. Otherwise, the executive director's determination shall stand. The executive director shall issue any such different determination that the commission may direct no later than sixty (60) calendar days after receipt of the appeal of the filing determination. The executive director shall cause a date of receipt stamp to be affixed to all applications for permits on the date they are so received and a stamp of the date of filing on the date they are so filed.
- 3) Revise proposed Section 13067(c) by separately numbering the requirements for ease of the reader as reflected below:
- (c) The speaker must submit all materials presented at the public hearing to the staff for inclusion in the record of the proceeding. Any speaker who, as part of his or her presentation, exhibits models or large materials may satisfy this requirement by (1) submitting accurate reproductions or photographs of the models or other large materials and by (2) agreeing in writing to make such materials available to the commission if necessary for any administrative or judicial proceeding.

- 4) Revise proposed Section 13158(e) as follows, so that it is easier to understand:
- (e) A permit shall not be issued pursuant to section 13158(c) unless the applicant has satisfied all prior to issuance conditions. Prior to issuance conditions are those conditions that are identified in the permit as conditions that must be complied with prior to issuance of the permit. No permit containing conditions that must be satisfied prior to issuance shall be issued for acknowledgment until all such conditions have been satisfied. Following commission After approval of a permit that contains prior to issuance conditions, the executive director shall notify send the permit applicant a notice of commission approval that identifies of those conditions that have been designated as prior to issuance conditions, must be satisfied before the permit can be issued for acknowledgment.
- 5) To reflect a legislative renumbering within section 21080.5 of the California Environmental Quality Act ("CEQA"), change the citation in proposed section 13162 so that it refers to CEQA section 21080.5(d)(2)(E) instead of 21080.5(d)(v) and change the citation in section 13057(c)(2) so that it refers to CEQA section 21080(c)(2)(A) instead of 21080.5(d)(2)(i).
- 6) Replace the phrases: "the Coastal Act of 1976," "the California Coastal Act," and "the California Coastal Act of 1976" with the phrase: "the Coastal Act" in all sections that are proposed to be amended.
- 7) Revise the format of proposed section 13055 (fees) to set forth permit application fees in a tabular form.

VIII. OPTIONS FOR COMMISSION REVIEW AND ACTION

The Commission has the following major options for action on June 8, 1998:

1. Adopt Regulations as Proposed

Take public testimony, consider the proposed regulatory action, and vote to adopt the proposed amendments as set forth in Exhibit 1 with the nonsubstantial, grammatical corrections set forth in this staff report and with any other nonsubstantial and/or grammatical changes that the Commission finds necessary. If the Commission adopts the proposed amendments, staff will submit them to the Office of Administrative Law for approval. If approved, the amendments would then be sent to the Secretary of State for filing. The amendments would become effective 30 days after that filing.

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2. Decide Not to Take Action on the Regulations

Hold the public hearing, close the hearing, consider the proposed regulatory action and either take no action or vote not to adopt the proposed amended regulations.

3. Modify Regulations In Minor Way(s) and Circulate Change(s) for Public Comment

Hold the public hearing, close the hearing, consider the regulatory action, and vote to direct staff to revise the proposed amendments in ways that are sufficiently related to the proposed amendments as published in Exhibit 1 and to circulate the revised proposed amendments for public comment. The minimum public comment period would be 15 days. The Commission would then hold a public hearing at a future Commission meeting and vote on whether to adopt the revised proposed amendments.

4. Modify Regulations In A Major Way and Circulate Change(s) for Public Comment

Hold the public hearing, close the hearing, consider the regulatory action and vote to direct staff to revise the proposed amendments in a substantial or major way and to circulate the revised proposed amendments for public comment. Staff would submit a new notice to OAL, and OAL would publish the notice, which would commence a new 45 day comment period. The Commission would then hold a public hearing at a future meeting and vote on whether to adopt the revised proposed amendments.

As is indicated above, if the Commission wishes to make any changes to the proposed amendments, other than nonsubstantial or solely grammatical changes, the APA requires that the Commission reopen the public comment period and may mandate that the Commission start the process again. (Exhibit 4 provides further information on these requirements.)

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IX. MATERIALS PROVIDED FOR COMMISSION REVIEW

In order to assist your review of the proposed amendments, we have attached the following exhibits:

- 1) The text of proposed amendments to the Commission's permit regulations, showing proposed additions in <u>underline</u> and deletion in <u>strikeout</u>, along with a revised table of contents reflecting the proposed amendments.
- 2) Notice of the Commission's Intent to Amend Portions of Chapters 5 and 6 of the Commission's Regulations.
- 3) Initial Statement of Reasons for proposed revisions to portions of Chapters 5 and 6 of the Commission's regulations.
- 4) Chart of Possible Rulemaking Schedules.
- 5) Copy of written comments received to date.

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